

**Written Statement
Of**

**The Honorable Kevin J. Martin
Chairman
Federal Communications Commission**

**Before the
Committee on Energy and Commerce,
Subcommittee on Telecommunications and the Internet
U.S. House of Representatives**

June 10, 2008

Good morning Chairman Dingell, Chairman Markey, Ranking Member Barton, Ranking Member Stearns, and Members of the Committee. Thank you for inviting me here today to update you on the status of the digital transition.

On February 17, 2009, all full power television stations in this country will stop broadcasting in analog, and broadcast exclusively in digital, as mandated by Congress in the Digital Television and Public Safety Act of 2005. A successful digital transition will depend upon minimizing the burdens placed on consumers and maximizing their ability to benefit from it.

The DTV transition will be a historic moment in the evolution of TV. Television viewers will be able to enjoy movie quality picture and sound and potentially new programming choices. It also will allow us to significantly improve public safety communications and usher in a new era of advanced wireless services such as the widespread deployment of wireless broadband.

With a little less than nine months to go until the digital television transition nationally the industry and the Commission are actively reaching out to consumers to alert them of the coming transition and inform them about the steps they will need to be prepared for the transition. I recently announced that on September 8, 2008, Wilmington, North Carolina will be the first market in the country to make the transition to digital television (DTV).

The first phase of the consumer education campaign is alerting consumers that the transition will occur on Feb. 17, 2009. Numerous reports indicate that consumer awareness of the upcoming transition has risen significantly. Last February, CEA reported that the percentage of consumers surveyed who were aware of the DTV transition jumped from 41% in August 2006 to 74% in January 2008. Similarly, NAB reported consumer awareness of the DTV transition more than doubled from 38% in Jan. 2007 to 79% in Jan. 2008, and that 83% of respondents in exclusively over-the-air households reported that they were aware of the transition. In addition, a survey published by the Consumers Union in January 2008 found that 64% of consumers were aware of the transition.

Similarly, the Association of Public Television Stations (APTS) issued the findings of a survey indicating that consumer awareness of the transition increased from 51% to 76% in just three months (from November 2007 to February 2008). In addition APTS finds that: "Roughly 62 percent of ... over-the-air consuming households who are aware of the transition indicated that they would buy a converter box or digital TV set between now and when the transition takes effect..." which is up dramatically since November 2006, when only "28 percent of over-the-air households said they would take those options."

That more and more viewers are aware of the transition is a step in the right direction. The next phase of the consumer education campaign emphasizes the actions that consumers need to take to be prepared. Specifically, the Consumers Union also found that 74% of consumers had "major misconceptions" about the impact of the transition on

them. In other words, too many Americans remain confused about what they need to do to prepare for it. And APTS found that “17.5 percent of over-the-air consumers who are aware of the transition ‘don’t know’ what they will do and roughly 10 percent said they would ‘do nothing.’” Taken together, these surveys are valuable research tools to better guide our education and outreach efforts over the next nine months.

This released data also demonstrates that facilitating a successful DTV transition is an enormous undertaking. And it is one which no single entity, public or private, can achieve alone. Rather it requires the commitment and cooperation of government, industry and consumer groups. We have made that commitment and are actively working with these important stakeholders.

Today’s hearing is a welcome opportunity to discuss our work with all of our DTV partners both in terms of outreach and education and necessary regulatory steps to ensure all Americans can share the benefits of this historic digital transition.

UPDATE ON BROADCASTERS TRANSITION TO DIGITAL

Last August, the Commission adopted the final DTV table of allotments based on the channel elections made by the full power broadcast stations. This order provided virtually all (over 99%) of the television stations across the country with their final channel assignments for broadcasting in digital following the DTV transition. By finalizing broadcasters’ channel allotments, the Commission helped ensure that broadcasters could begin making final preparations for their own conversion.

Nearly two-thirds of full power stations (1172) will remain on the same channel they are currently using for digital service. Most of these stations, over 989, have completed construction and are already providing full service to their viewers. The remainder, roughly 150, are working on completing construction of their full service facilities. One-third of full power stations, (roughly 640), are changing channels for their operation after the transition and are currently filing construction permit applications, ordering equipment, and scheduling tower crews.

In December of 2007, we also concluded the Third DTV Periodic Review. This Order adopted the procedures and rules to guide broadcasters through the end of the transition. Among other important decisions, this order adopted the interference standard for post-transition applications. The measures the Commission put in place to expedite the processing of post-transition construction permits have enabled us to moved forward by twelve weeks the beginning date for the filing of applications to expand service areas. Since the end of May, full power broadcasters have been able to file requests to maximize DTV facilities.

In the Third DTV Periodic Review, the Commission recognized that stations will need flexibility to complete the transition. Consequently we adopted procedures that will allow broadcasters to adjust their buildout according to their needs and the needs of their viewers. For example, we will consider requests from broadcasters that find it necessary

to reduce analog service before the transition date, but they will be required to inform their viewers well in advance of any reductions.

In addition to getting the proper rules in place, it is important that broadcasters' progress be carefully monitored. Accordingly, to enable the Commission to closely track broadcasters' progress toward completing their transition, we required each station to file a report on the status of the construction of its post transition facility. All stations have submitted the first such report, and nearly 1,000 indicated that they were completely finished with their DTV transition. Broadcasters are required to update the Commission with any changes to their status as events warrant. In the Third Periodic, the Commission committed to send Congress a full report on broadcasters' DTV build-out in August. Broadcasters that have not completed their transition must report again by October 20, 2008.

CARRIAGE OF DIGITAL SIGNALS

Much of the focus of our consumer education efforts has been on the approximately 15% of the homes who rely on over-the-air broadcast signals. These efforts have presumed that subscribers to cable and satellite will continue to be able to receive digital broadcast signals just as they do analog broadcast signals today. It is critical to note, however, that our rules needed to be modified to clarify that cable and satellite companies were required to carry digital broadcast signals to their customers just as they do the analog broadcast signals today. Our goal with both of these Orders was not to expand carriage but rather to ensure that the broadcasters' switch from analog to digital was not used as an excuse to stop carrying the broadcasters' signal in a format that could be viewed by all subscribers, including analog cable subscribers.

Last fall, the Commission adopted an order that guarantees that analog cable subscribers will not be left in the cold once broadcasters ceased broadcasting in analog. Specifically, the Commission took action to ensure that after the transition, cable operators will continue to make every broadcast station's signal viewable, as the statute requires. As a result, we significantly reduced the number of Americans potentially needing a converter box to watch broadcast stations post-transition. Making sure the almost 35 million households that subscribe to analog cable will be able to continue to watch broadcast television after the transition just as they did before allows us to focus our energies on assisting the nearly 15 million households that rely exclusively on over-the-air signals.

The Commission recently adopted an order that will enable satellite subscribers to receive digital broadcast signals, as well. The law requires that when a satellite operator chooses to carry any local broadcast signals, it must carry all full power local broadcast signals in that market. The item recently adopted clarifies that, in such a "local-into-local" market, where a full power television station is broadcasting only in digital, the satellite operator must carry that digital signal upon request. This clarification is critical to ensuring that satellite customers, like cable customers, will continue to receive the same broadcast stations they saw the day before the transition on the day after the transition.

ENFORCEMENT

The Commission's DTV-related enforcement efforts have focused on protecting consumers from unknowingly buying televisions that won't receive broadcast stations following the transition. Specifically, we are enforcing three rules: 1) the requirement to label any remaining televisions with analog-only tuners; 2) the prohibition on the importation and shipment of television receivers without integrated digital tuners; and 3) the requirement that the V-Chip functions with the digital technology. In addition, we have begun conducting informational interviews of store managers to assess the employee training and consumer education efforts of retailers participating in the NTIA converter box coupon program.

With respect to the Commission's labeling requirement, the Commission has, as of June 9, 2008, inspected 3992 retail stores and 37 websites and issued 361 citations notifying retailers of violations for failing to comply with our rules. Because retailers generally are not licensees, we must give them a citation prior to proposing a monetary penalty via Notice of Apparent Liability (NAL). On April 10, 2008, we released NALs against seven large retailers totaling nearly \$4 million. On May 9, 2008, we released another two NALs, totaling \$465,000. Five additional NALs totaling over \$500,000 remain on circulation, as of June 9, 2008. In addition to these NALs, the Enforcement Bureau has issued another seven NALs worth an additional \$96,000. It is my hope that through our vigorous enforcement actions, retailers will take concrete actions to avoid consumer confusion as the digital transition draws near.

In addition to our labeling investigations, we are continuing to ensure that no manufacturers are importing and shipping analog-only television receivers and equipment. We have issued NALs against three companies - Precor; Syntax Brilliant Corp. and Regent USA, Inc. - for apparent violation of our rules in this area. Two of the companies have already paid \$421,550 combined; the other will be referred to the Department of Justice for collection.

We also continue our efforts to ensure that the digital tuners comply with the V-Chip regulations. As you know, the Commission's rules require digital television manufacturers to include the V-Chip in their equipment and to ensure that their devices can adjust to changes in the content advisory system. We began investigating allegations that some manufacturers were not complying with our rules. We have released three NALs and seven consent decrees with manufacturers to resolve our investigations. The voluntary contributions from these orders totaled over \$3.4 million and payment has already been made to the U.S. Treasury. In addition, the manufacturers agreeing to consent decrees have undertaken significant compliance measures to remedy their past violations and prevent future ones.

Finally, as part of our follow-up on the requirements of the recent *DTV Consumer Education Order*, field agents across the country have been interviewing store managers at retail establishments offering digital-to-analog converter boxes. As of June 9, 2008, Enforcement Bureau field agents have visited 935 stores and conducted 842 interviews in

34 states and the Commonwealth of Puerto Rico. Until the Office of Management and Budget (OMB) has approved this information collection under the Paperwork Reduction Act (PRA), the field agents will confine their interviews to nine retailers with among the largest number of stores participating in the NTIA converter box program. Once the information collection has received PRA approval, the Bureau will expand its interviews to include all participating retailers. To date, the Bureau has found that the majority of store managers are well-informed of the digital transition and the NTIA converter box program. Some managers, however, appear to need additional training in certain areas, e.g., the need of some customers for new antenna equipment, the fact that many low-power television stations will not convert to digital broadcasting on February 17, 2009. Where such training issues arise, our field agents are providing information tip sheets and conducting supplemental training sessions.

Swift enforcement of all our DTV-related rules is critical to protecting consumers and reducing potential confusion. Our activities in this area will continue to be a priority during the next 9 months.

CONSUMER EDUCATION AND OUTREACH

In order to educate consumers properly, all parties involved in the transition - - the FCC, NTIA, the broadcasters, the cable industry, satellite, manufacturers, retailers, consumer groups - -need to work together to educate consumers.

I commend the industry for the consumer education campaigns that they have initiated. Specifically, last fall the National Association of Broadcasters (NAB) launched a \$700 million campaign that includes, among other things, television spots, 30 minute education programs about DTV and a 100-day countdown to the February 17, 2009 deadline. In addition, the National Cable and Telecommunications Association (NCTA) launched a \$200 million campaign last fall that includes, among other things, sending customer communication “tool kits” to all their cable systems nationwide, and distributing brochures about the transition at community and public events.

In February, the Commission adopted an Order that requires commercial full power broadcasters to provide on-air information to their viewers about the DTV transition. Commercial broadcasters may choose one of two options for compliance, including one option that is based on a proposal from NAB for a safe harbor approach. and comply with our specific requirement or a safe-harbor plan proposed by the NAB. Although the sets of requirements are distinct, all require PSAs and the Commission found that they each entail a similar level of commitment and engagement on the part of broadcasters. For example, where the first option, initially proposed by the FCC calls for more frequent PSAs, the second option, based on the NAB plan, calls for longer ones. All plans require quarterly reporting of both mandatory and voluntary outreach and education efforts. This will allow the Commission not only to monitor compliance, but also to stay informed of the creative approaches being taken by disparate broadcasters all over the country, and continue to coordinate transition education efforts.

The item also requires MVPDs to provide monthly inserts about the DTV transition in their customer billing statements. In addition, we require the partners listed on the Commission's dtv.gov website such as NAB, NCTA, CEA and CERC, as well as the winners of the 700 MHz auction, to provide the Commission with quarterly updates on their consumer education efforts. We will also work with the National Telecommunications and Information Agency (NTIA) to ensure that the retailers participating in the converter box program are appropriately training their employees and informing consumers.

The item also required phone companies participating in the Low Income Federal Universal Service Program to provide notice of the transition to their low income Lifeline or Link-up customers and potential customers, and manufacturers of some television-related devices to provide notice to consumers of the transition's impact on that equipment. Both of these requirements were modified by an Order on Reconsideration issued by the Commission in April. That Order gave phone companies greater flexibility in complying with our rules by allowing providers to give notice of the transition via monthly postcards in lieu of including transition information in customer bills. Also, the Order established May 30 as the start date of the manufacture notice requirement in order to provide time to reconfigure electronics packaging. The Order also included a Further Notice which asked whether MVPDs should have on-air education requirements, and whether phone companies should be required to provide notice to all of their customers, rather than limiting the requirements to low-income customers.

In addition to our DTV Consumer Education item, the Commission is actively and directly promoting consumer awareness of the upcoming transition through its own education and outreach efforts.

The FCC's consumer outreach effort recognizes that some consumers will be disproportionately impacted by the transition, or are harder to reach than the general population. As an example, in a February 2008 survey APTS finds that awareness varies by demographic groups. They found that 33.2% of African-American respondents to their survey said that they had "no idea that transition was taking place." Similarly, APTS found that 28.2% of respondents living in rural areas were unaware of the transition, and 18.6% of Hispanics said that they had no idea that the transition was taking place.

Thus, the Commission's outreach effort places an emphasis on consumers who receive their television signals "over-the-air" and on those who are hard to reach and may be unaware of the upcoming transition. The Commission has engaged in targeted measures to reach these groups, which include senior citizens; non-English speaking and minority communities; people with disabilities; low-income individuals; and people living in rural and tribal areas.

We have been forging partnerships, participating in media events, and attending conferences, to get the word out.

Thus far, over 3.9 million pages of our DTV publications have been distributed to individual consumers and to consumer agencies and organizations. In addition, we have also distributed over 7700 posters nationwide.

As a result of feedback we received through our workshops and attending conferences and events around the country, we recently created several new publications. We recently released a consumer advisory titled “The DTV Transition and Over-the-Air Viewers Along US Borders.” In addition, we also created a basic guide (with diagrams & text) on how to set up a digital-to-analog converter box. We also recently created a consumer advisory to clarify that the “DTV Transition Does Not Require Cable Systems to Switch to Digital.” These publications are all available in English & Spanish on our www.dtv.gov website.

In addition, based on consumer feedback, on Thursday, June 19, 2008, the FCC will hold a Digital Television (DTV) Consumer Education Workshop on converter boxes. The Workshop will address issues related to DTV converter boxes for analog television sets that receive signals over-the-air. Specifically, the Workshop will explain how to connect DTV converter boxes to analog television sets and will discuss the converter boxes’ features, including closed captioning and parental controls. Several manufacturers and vendors will display their DTV converter boxes and be available to answer questions about them.

Also, next month DTV education posters will be displayed in all 34,000 post offices across the nation. The United States Postal Service estimates that an average of 9 million people pass through their post office lobbies each day.

We have also secured commitments from 36 states, the District of Columbia and Puerto Rico to display DTV materials in 1100 Department of Motor Vehicle locations. Specifically, we have secured commitments with Alaska, Arizona, Arkansas, California, Colorado, the District of Columbia, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Washington, West Virginia, Wisconsin and Wyoming.

The FCC also distributed DTV transition awareness information that is being provided to all federal government employees. We estimate that this message will reach over 2.5 million federal employees throughout the country. Since February, we have held Brown Bags for 34 agencies in the Washington DC metropolitan area. In the coming weeks, we will be holding brown bags for 11 more agencies in the area.

We have also identified and contacted 184 mayoral offices in areas of the country with high concentrations of over-the-air households, to help them educate consumers in their communities. These efforts have thus far resulted in 46 cities making specific commitments ranging from posting and distributing DTV information in public locations and at events and conferences, to including information in newsletters and other publications, and establishing links to our dtv.gov website, and other efforts unique to

their communities. For example, the Mayor's Office in Great Falls, Montana has been sent 21,000 DTV flyers from us to place in their utility bills this Fall. We also received a commitment from the Office of the Mayor of Fairbanks, AK to distribute DTV consumer education materials. Similarly, the Office of the Mayor of South Bend, IN will be including an article about the DTV Transition in the May issue of the city newsletter included in the waterworks bills. This will reach 46,000 customers. This particular Mayor's office also plans to follow up with DTV reminders and tips in later monthly newsletters.

In addition, the California Governor's Office is working with its Emergency Operations Centers and Emergency Management Offices statewide to disseminate DTV Transition information. Similarly, the North Carolina State Public Health Office has committed to distribute DTV consumer education materials. In addition, we have commitments from the Austin and Fort Worth Police and Fire Departments in Texas to display DTV Transition Awareness posters.

We also reached out to the country's major professional sports leagues and have received offers to help promote the transition. The National Football League (NFL), the National Basketball Association (NBA), the National Hockey League (NHL), Major League Baseball (MLB) and NASCAR all agreed to help raise awareness of the transition among their fans. For example, the NHL has agreed to run ten 30 second PSAs per day until the transition date on their cable channel the NHL Network.

In February, a contract was awarded to Ketchum to support a broad range of consumer education services, including media services, publications, and distribution, that will assist and complement the FCC's ongoing work on educating all American consumers about the digital television transition. Ketchum arranged a Satellite Media Tour in February on local television news around the country in states such as Hawaii, Missouri, Texas and Florida to spread the message about the transition. From those seventeen interviews, which were aired between February 22 and March 2, Ketchum reported more than one million audience impressions. Ketchum is planning similar interviews for the month of July, on both radio and television, along with magazine interviews that will be published throughout the transition to continue our consumer education efforts. Ketchum helped us unify our messaging and make our outreach, including our fact sheets and DTV.gov, more consumer-friendly and cohesive. Building on the DTV.gov brand, Ketchum has produced and rolled out highway billboards on outdoor advertising space in several markets, including Philadelphia, Tampa, and San Francisco. Contracts have been finalized in 26 markets and are in progress in 19 others. Ketchum has produced 18 different radio public service announcements, of varying lengths, featuring myself and my fellow Commissioners. They are currently available on DTV.gov as broadcast-quality downloads, and Ketchum will be distributing them to full-power radio stations nationwide. Ketchum will also be producing and distributing television PSAs and a longer-form educational video, all of which will be available both online and from the Commission.

As I mentioned, we also know that some consumers will be disproportionately impacted by the transition or are harder to reach than the population at large. Therefore we have been taking specific steps to reach these groups. I would like to take a few minutes to describe our efforts targeted at each of these five communities.

Senior Citizens:

The Nielsen Company estimates that of the 286million television viewers nationwide, and about 10%, are seniors aged 65 years and over. Of the almost 35 million viewers who rely exclusively on over-the-air broadcasting, 11.2% or almost 4 million are seniors aged 65 and over. Many seniors also face particular challenges gaining access to current, reliable information.

Senior citizens are more likely to have analog television sets and rely exclusively on over- the-air broadcasting.

Commission staff located in field offices throughout the country are also working on DTV transition education and outreach. Starting last year, FCC field agents have held DTV Awareness Sessions and distributed information to senior centers, libraries and other local venues frequented by older Americans. Through the work of our field agents, we have been able to reach these consumers in a total of 50 states – ranging from Alaska to Florida and two U.S. territories. We have already distributed information to over 4009 senior centers, and 1698 community centers, which frequently include large numbers of seniors, and given nearly 892 presentations with 167 more scheduled in the days ahead.

We have also partnered with organizations that specifically serve this harder to reach population. Last September, we presented two DTV education sessions at the national AARP convention in Boston, and we have plans to make similar presentations at this year's convention in Washington, DC. In addition, late last fall, I was interviewed about the transition on AARP radio which is broadcast on 170 outlets nationwide reaching more than 1,000,000 people. I was also interviewed for, and quoted in the early 2008 issue of AARP's widely circulated Magazine, which has a circulation of 23.5 million. AARP is also regularly including stories on the DTV Transition in their Monthly Bulletins. Further, AARP will be distributing DTV information at a series of eight "road show" events they will hold around the country from June to September of this year.

In addition to working with AARP, we have also been working with other senior organizations as well. For example, I taped a PSA for Retirement Living TV which reaches nearly 30 million homes nationwide. Also I participated in a story about the transition for the Erickson Tribune, which is distributed to residents in their retirement communities and is read by more than 6 million people. In addition, the Commission authored an article that was published in the October 2007 edition of Baltimore's *Senior Digest*.

We are also pleased to be partnering with The National Association of Area Agencies on Aging (N4A) to cosponsor DTV awareness sessions during the coming year in

conjunction with their 655 area offices throughout the nation. For example, we will be making a presentation in conjunction with the N4A to 100 seniors in Orangeburg, SC on June 24. We are also setting up additional presentations in conjunction with the N4A throughout the year. This is a useful opportunity to educate caregivers, social workers and others who care for the elderly in their communities. In addition, this July, we will be exhibiting and presenting at the N4A's Annual Conference in Nashville.

We are also working with the Corporation for National and Community Service: Through their Senior Corps, they have agreed to utilize their network of over 500,000 volunteers to get the word out on the digital transition through its 741 projects. They will educate consumers and offer assistance in hooking up digital to analog converter boxes.

In addition to working with these organizations, we have and continue to set up partnerships with many State Aging Offices. As a result of our efforts, 33 states, the District of Columbia, and Puerto Rico have made commitments to disseminate our DTV transition materials through their Aging Offices.

The FCC also held a DTV Workshop focusing on seniors at FCC Headquarters on November 8, 2007. It consisted of two panels discussing the transition's effect on seniors plus exhibits hosted by other government and industry organizations. Based on the discussions and the relationships formed at that Workshop, we reached out to faith-based organizations, provided them with consumer education materials on the transition, and continue to follow up with them to answer questions on the transition.

On May 28, 2008, Congresswoman Eleanor Holmes Norton, hosted a DTV Town Hall Meeting for seniors in DC at the FCC. Congresswoman Norton addressed the audience and WUSA, Channel 9, anchorwoman J.C. Hayward was the Mistress of Ceremonies. This session was held in conjunction with AARP, the DC Office of Aging, the NAB, and the National Caucus and Center for the Black Aged. Over 300 seniors attended this event which included presentations by NAB and NTIA. I am also pleased that all of the FCC Commissioners were able to speak to this enthusiastic group. The program included a converter box demonstration and the attendees received materials which included applications for converter box coupons.

In addition, on May 16, the FCC staff conducted a DTV Awareness session as a part of Congresswoman Laura Richardson's "Annual Senior Legislative Luncheon" for over 500 seniors from the Carson, Compton and Long Beach areas. FCC staff also distributed large font DTV one pagers, answered questions and conducted a converter box demonstration at the event. They also assisted the seniors in filling out converter box coupon applications.

Non-English Speakers and Minorities:

People living in minority communities are prominent among the groups being targeted in our DTV outreach activities. These communities disproportionately rely on over-the-air television reception. For broadcast-only households, about 16.5% are headed by persons

of Hispanic origin, 15% are headed by an African-American, and 5% are headed by someone of Asian descent, according to data from the Nielsen Company.

So far this year, the FCC has participated in a number of conferences and events reaching the Hispanic Community. In May, we participated in Cinco de Mayo festivals in Milwaukee, WI and Los Angeles, CA. In April FCC staff exhibited at the Hispanic Business and Consumer Expo in Orlando, FL and conducted several DTV transition awareness sessions in Puerto Rico. In addition, the staff was also interviewed by two major local newspapers, participated in a Telemundo television program, participated in a live radio broadcast, and a program on an educational television station.

As I mentioned previously, The Hispanic Chamber of Commerce has agreed to join the Commission in conducting DTV awareness sessions at member chambers in the 15 U.S cities with the largest number of Hispanic TV homes. On May 28, a member of the FCC field staff spoke to the Fresno area Hispanic Chamber of Commerce about the DTV transition. In addition, on July 11, FCC staff will address the Hispanic Chamber of Commerce of Kansas City at their "Buenos Dias Breakfast" event. In addition, the Hispanic chamber of Commerce of Wisconsin has been making our one-page flyers available for distribution in their office.

We have also partnered with Univision to hold DTV awareness sessions at Town Hall meetings designed to educate members of its Spanish speaking audience. FCC staff recently participated in a Univision Town Hall Meeting in San Francisco on May 17. The FCC will also participate in another Univision Town Hall in Brooklyn later this month. Also, on April 30, FCC staff participated in Univision's DTV Road Show in Atlanta, GA. Univision also distributed our DTV publications at their December 2007 DTV town hall meeting in Chicago. Univision also plans to distribute our materials at additional town hall meetings around the country throughout the year. Through these partnerships, we will reach cities that are home to over 80% of Hispanic communities.

In addition, the FCC had a booth at the Annual Calle Ocho Carnaval (8th Street Carnival) in Miami, FL in March 2008. FCC staff also exhibited at the annual meeting of the US Hispanic Leadership Institute in Chicago, IL in February 2008. Hundreds of Spanish language DTV publications were distributed.

Additionally, we have taped several on-air interviews regarding the digital transition for Univision's news and public affairs programs airing both in local markets and nationally. These interviews were done by Keyla Hernandez-Ulloa the Commission staffer hired to spearhead outreach to the Hispanic community and Carmen Scanlon, an attorney in our Consumer and Governmental Affairs Bureau. We have been discussing the switch to digital on other Hispanic media outlets as well. For example, I did an interview with the Hispanic Communications Network, which produces material for radio, television, print and Internet that will be distributed to its 230 member radio network in the United States and Puerto Rico.

We have also been working with other foreign language media outlets as well. In May 2008, we exhibited at the National Coalition for Asian Pacific American Community Development (CAPACD) Annual Conference in Anaheim, CA. Materials were provided in Hmong, Vietnamese, Japanese, Chinese, Cambodian and Laotian as well as English. We also provided a train-the-trainer session for 15 case workers at the Little Tokyo Service Center, in Los Angeles, CA. This is a nonprofit organization that serves elderly, fixed-income Japanese-Americans serving over 2,000 clients. Also, in May 2008, we partnered with the California Public Utilities Commission and KTSF, a major Asian TV station in San Francisco, to present an awareness session to over 100 Asian leaders in San Francisco, CA. KTSF also handed out 5,000 English/Chinese fact sheets during the 2008 Chinese New Year celebrations. Previously, in March 2008, we participated in the Hmong National Development Annual Conference in Denver, Colorado.

The FCC held a DTV Workshop focusing on non-English speakers and minorities on December 4, 2007. As a result of that Workshop, we will be working with the American Libraries Association to conduct a nationally available Internet seminar or “webinar” about the DTV transition today for librarians in the Webjunction Spanish Outreach Program. These librarians provide library services to Spanish speakers. Also, as a result of input received at the workshop, we translated our DTV one-page flyer into additional languages. The one-page flyer is now available in the following languages: Amharic, Arabic, Cambodian, Chinese, French, Hmong, Japanese, Korean, Laotian, Navajo, Portuguese, Russian, Tagalog and Vietnamese.

In addition, we plan to participate in a number of national conventions representing non-English speaking and minority consumers in 2008. They include the 78th Annual Conference for League of United Latin American Citizens, U.S. Hispanic Chamber of Commerce Annual Expo, the National Council of La Raza Conference, the NAACP Convention, the National Urban League Conference, the Japanese-American Citizen’s League Conference, the Indiana Black Expo, the Black Expo in Oakland, California, the Organization of Chinese Americans National Conference, and the National Congress of Vietnamese Americans National Convention.

People with Disabilities:

The Commission is continuing a multi-faceted approach in informing people with disabilities about the DTV transition. On February 28, 2008, we hosted a DTV Workshop dedicated to issues facing people with disabilities. The program featured panelists from numerous organizations whose missions are to work directly with, and advocate on behalf of, individuals with hearing, vision, speech, physical, and intellectual disabilities. It elicited several concrete suggestions that we have implemented.

For instance, in response to the panelists’ suggestion that we develop “how to” information related to the transition, we have drafted a step-by-step guide on how to install a digital-to-analog converter box, and posted it on the Commission’s DTV Web site, www.DTV.gov. Similarly, in response to general questions at the Workshop concerning the availability of video description (descriptions for people who are blind or

have other vision disabilities about the setting and/or action in a program when information about these visual elements is not contained in the audio portion of the program), we have also recently posted a consumer advisory entitled “Video Descriptions and the Digital Television Transition”, specifically addressing that issue.

Another suggestion from panelists was that we utilize national service organizations to inform consumers about the transition. Indeed, we have initiated a partnership with the Corporation for National and Community Service, and with the United States Department of Agriculture’s 4-H office. Finally, we will build upon our workshop by speaking directly to organizations that work with and on behalf of people with disabilities, at their meetings and conferences.

I am also pleased to report that www.DTV.gov now features a DTV educational video in American Sign Language for the deaf and hard of hearing community. Our most commonly utilized publications are available in Braille and audio format and all of our fact sheets and advisories are available in large print. In addition, we have two specific publications addressing DTV and closed captioning, “Closed Captioning for Digital Television,” and Closed Captioning and Digital-to-Analog Converter Boxes for Viewing Free Over-the-Air Programming on Analog Televisions.” The Commission also has a dedicated email box for closed captioning questions at closedcaptioning@fcc.gov.

Commission staff continues to attend conferences to distribute DTV educational materials to people with disabilities. For example, the FCC has attended and provided DTV materials at the National Black Deaf Advocates Conference, the Vocational and Educational Services for Individuals with Disabilities Conference and the Emergency Planning and Response for Special Needs and Disabilities Conference. In addition, in May an FCC staffer presented at the California Public Utilities Commission’s Deaf and Disabled Telecommunications Program Joint Committees Meeting.

In 2008, FCC staff will continue to participate in a number of disability conferences and events around the country. This week, we will be presenting at the Hearing Loss Association of America (“HLAA”) convention. Also this year, we will be participating in the following conferences, the American Council for the Blind’s Annual Convention, the National Association of the Deaf’s Annual Convention, the World Congress On Disabilities, the Summer Quarterly Meeting of the National Council on Disabilities, and Deaf Awareness Month events with the New York State Department of Education.

In all, we are collaborating broadly with disability advocacy groups and outreach organizations. For instance, the Hearing Loss Association of America (“HLAA”) is already linking to our DTV informational materials on its website, which receives approximately one million hits per month. In addition, HLAA has committed to publish later this spring an article on DTV and closed captioning in *Hearing Loss Magazine*, which is estimated to reach a readership of 200,000 people. Likewise, later this spring the article will be published in the “Blue Book” Resource Guide of Telecommunications for the Deaf, Inc. (“TDI”), with a readership of up to an estimated 100,000 people, and

eventually posted online at TDI's website, which receives approximately 88,000 hits per month.

Furthermore, HLAA has 200 local and regional chapters around the country, and we will conduct DTV Awareness Sessions at their monthly meetings throughout the course of the year. Since March 11, with the assistance of our Enforcement Bureau's Field Agents, FCC staff has made presentations at 11 HLAA meetings around the country. We have seven more meetings scheduled as a result of this partnership through the fall. We also are utilizing our Enforcement Bureau's Field Office staff and CGB staff to distribute DTV informational and educational materials at HLAA's "Walk4Hearing" events across the country taking place this spring through the fall. Thus far, the FCC has distributed DTV informational and educational materials at HLAA's "Walk4Hearing" events at Safety Harbor (Tampa), FL (April 12), Atlanta, GA (April 19), Greater St. Louis, MO (April 26), Longmont, CO (May 3), Westchester/Mid-Hudson, NY (May 3), SE Michigan (May 3), and Rochester, NY (May 4), Columbus Ohio (June 7). EB Field Office and CGB staff will continue to distribute such materials at "Walk4Hearing" events across the country taking place later this Summer through the Fall.

Low Income Consumers:

Low-income households generally rely more on over-the-air television signals due to the high costs of paid subscription services. Television households earning less than \$20,000 are more than twice as likely to rely exclusively on broadcast television as an average U.S. household. Also, low-income households are likely to have low literacy rates and otherwise may have limited access to information resources such as the Internet. The critical components of our outreach to low-income consumers include our collaborative efforts with the leadership of consumer organizations and federal, state and local agencies representing consumers with low incomes, and our participation in events and conferences through which we distribute educational materials directly to consumers.

The Commission is also taking specific steps to inform low-income consumers about the transition to all digital broadcasting. We have forged a partnership with the Department of Health and Human Services to assist the FCC in disseminating DTV material to target populations, including low-income consumers. HRSA (Health Resources and Services Administration) has forwarded FCC DTV information to approximately 4,000 grantee organizations, and the message also went out to groups like the state Primary Care Offices and Primary Care Associations and the National Association for Community Health Centers - organizations which represent many more non-Federally funded health centers and clinics nationwide. HRSA asked these organizations to post and distribute our DTV flyer in their clinics and to distribute information to patients. ACF (Administration for Children and Families) is distributing information through their 1,600 Head Start grantees, covering more than 18,000 centers around the country. The Substance Abuse and Mental Health Services Administration (SAMHSA) is distributing DTV flyers to approximately 50,000 individuals each month who call requesting information. Other HHS agencies are also distributing our flyers, displaying our posters and linking to our dtv.gov Web page.

We have contacted social worker associations in each of the 50 states, plus the District of Columbia and Puerto Rico, and thus far have received commitments from 22 of them to assist us in getting the word out about the DTV transition. These include publishing DTV information in their monthly newsletters, and distributing DTV materials at events and conferences, so that visitors to their web pages can obtain more detailed information about the DTV transition and the steps they may need to take to prepare for it.

We have also reached out to representatives of the state health departments in each of the 50 states and U.S. territories, and thus far have received commitments from 33 of them to assist in distributing DTV awareness materials to the consumers they interact with on a regular basis. These include, for example, posting DTV materials in their service and waiting areas, distributing our fact sheets and other publications at events attended by consumers, and inserting DTV information in mailings to consumers, so that visitors to their web pages can obtain more detailed information about the DTV transition and the steps they may need to take to prepare for it.

As a result of this outreach, we recently exhibited at the Puerto Rico (March 2008), Maryland (March 2008), West Virginia (April 2008), and New Jersey (May 2008) state/territory chapter meetings of the National Social Worker Association.

In late February, we posted a simplified DTV one-page flyer on our Web site, and have offered it for distribution to all our partners. This was developed in response to requests for a more streamlined, non technical, and easy to read DTV informational flyer.

In addition, on April 1, 2008, the FCC sponsored a DTV Consumer Education Workshop focusing on reaching low-income consumers. As a result of our panel discussions, we received several positive suggestions and offers of assistance from our panelists on how best to reach members of their constituencies with information on the DTV transition. We will be providing the organizations represented with DTV informational materials such as our posters, flyers, and fact sheets that can be displayed at their events and facilities throughout the country. The National Energy Assistance Directors Association offered to provide DTV information to low income consumers who sign up for their program. We also received a suggestion to submit translated DTV articles to local foreign language publications in cities that have high concentrations of foreign language speakers. Often, these publications are the primary source of news and public interest information for these consumers. In addition, as noted earlier, all eligible telecommunications carriers (“ETCs”) that receive federal universal service funds are now required to provide DTV transition information in the monthly bills of their Lifeline/Link-Up customers.

Rural and Tribal Consumers:

Within rural counties, 15% of television households rely exclusively on over-the-air reception. According to a survey commissioned by APTS in February, rural households are also less likely to be aware of the digital transition. Of survey respondents living in

rural areas, 28.2% stated that they had no idea that the transition to digital television would take place, vs. 18.2% of respondents living within urban areas. We have focused our efforts on collaborative efforts with the leadership of consumer organizations and tribal and government agencies serving people in rural areas, and participation in events and conferences.

The Commission is also taking specific steps to inform people living in rural areas and on tribal lands about the transition to all digital broadcasting. For example, the Commission recently established a partnership with the United States Department of Agriculture's 4-H office. On April 1, 2008, the FCC, with NTIA and USDA, participated in the annual 4-H Youth leadership conference and presented two "Train the Trainer" seminars to approximately 100 youth members of 4-H chapters from the various states. FCC staff provided information which these youth representatives and their colleagues back home can use to conduct awareness sessions in their communities. In addition, each participating representative will receive a "DTV Outreach Tool Kit" containing more extensive materials for conducting their outreach sessions. We understand that the DTV outreach that will be performed by these young community leaders will assist them in meeting the community service requirements of their 4-H membership. 4-H youth throughout the country have been particularly responsive to our offers to work with them to educate consumers in their local communities. We have currently received requests from 4-H representatives in 25 states for over 1.4 million copies of our one page flyer to distribute in their local communities. These include 58,000 Spanish language copies and 143,000 large print copies. In addition, they have requested 1,000 copies of our DTV transition posters to display.

Another important component of our partnership with USDA is the placement of DTV transition educational materials at state and county fairs throughout the country via sponsoring 4-H chapters and local extension service professionals. Our DTV transition materials will be disseminated to 188 state and county fairs in 25 states.

Also, FCC officials presented DTV information at a series of events in Anchorage, Alaska in May 2008. The FCC addressed the Alaska Telephone Association Convention in Anchorage. In addition, the outreach events included a Congressional Awareness Session attended by Senator Ted Stevens. Examples of other events include presentations to the Alaska Chapter of the Hearing Loss Association of America, the Anchorage Rotary Club, and the Mananushka Amateur Radio Association. As a result of our outreach in Alaska, we are working to translate our one-page flyer into the Alaskan Native language of Yupik by the end of the month.

While in Alaska, FCC officials also conducted broadcast interviews with station KTUU, KIMO and KTVA in Anchorage. In addition, the FCC conducted an interview with the *Anchorage Daily News*.

We also have forged a partnership with the Bureau of Indian Affairs. This collaboration has resulted in the distribution of DTV materials throughout Indian Country, utilizing all 50 of their nationwide area offices. Commission staff has attended and provided DTV

materials at the National Conference of American Indians, and the Rural TeleCon Conference, with many additional events planned for this year such as participation in the National Association of Development Organizations in Alaska Conference and the Affiliated Tribes of Northwest Indians Annual Conference.

So far this year, we have presented at a number of tribal conferences. In May 2008, we exhibited and presented at the National American Indian Housing Conference in Seattle, WA. In March, we distributed DTV materials at NCAI's Executive Council Meeting, in Washington, DC. In addition, in February we presented at United South and Eastern Tribes (USET) Annual Impact Week, in Arlington, VA. In November 2007, FCC staff presented DTV sessions at the National Conference of American Indians (NCAI) in Denver, CO. In support of our partnership, NCAI passed a resolution recognizing the importance of the DTV transition and the impact on consumers, and committing their organization to working with us on DTV consumer education. The FCC will also be sponsoring an Indian Telecommunications Initiative (ITI) in Salt Lake City, UT in July 2008. The event will include DTV outreach to numerous tribal communities.

In addition, The FCC partnered with the Appalachian Regional Commission (ARC) and the National Association of Development Organizations (NADO) to have an exhibit booth at a joint ARC/NADO legislative event in Washington in February 2008, and to work on other outreach opportunities with both organizations. The FCC also exhibited in May at the Iowa Medicare Rural Hospital Flex Program Conference in Des Moines, Iowa.

Finally, on January 31, 2008, we held a workshop at Commission headquarters focused on reaching rural consumers and consumers living on tribal lands. We received many useful suggestions at this workshop on how to better reach these communities. For instance, our DTV one page informational flyer is now available in Navajo, one of the most-spoken Native American languages in the United States.

THE EARLY TRANSITION IN WILMINGTON, NORTH CAROLINA

On March 3, 2008, my colleague, Commissioner Michael Copps, suggested that the Commission engage in real-world experience readying broadcasters and consumers in advance of the upcoming digital transition.

On May 8, 2008, I announced that Wilmington, North Carolina will be the first market in the country to make the transition to digital television (DTV). I commend the Wilmington broadcasters for their pioneer spirit to go first to help the entire country prepare for the final transition to digital.

The commercial broadcasters serving the Wilmington television market have agreed to step up to the challenges of premiering the nation's DTV transition. They will all turn off their analog signals at noon on September 8, 2008. Beginning at 12:00pm on September 8, 2008, these local stations, WWAY (ABC), WSFX-TV (FOX), WECT (NBC), WILM-

LP (CBS) and W51CW (Trinity Broadcasting), will broadcast only digital signals to their viewers in the five North Carolina counties that comprise this television market.

This test market will be an early transition that will give broadcasters and consumers a chance to experience in advance the upcoming DTV transition. The early transition in this area will provide the FCC, NTIA, and other key stakeholders an opportunity to assess the effectiveness of their outreach and education efforts, and provide ample time to modify these efforts based on lessons learned, to help prepare the rest of the nation for the DTV transition.

The Commission is coordinating with local officials and community groups to accelerate and broaden consumer education outreach efforts. The outreach will focus on the special transition date for Wilmington and the steps viewers may need to take to be ready by September.

The Commission will use the test market as an opportunity to work very closely in advance with broadcasters, viewers, cable companies and others who will be affected to anticipate and address any problems. The Commission is also coordinating with NTIA and local retailers to be sure that digital-to-analog converter boxes are readily available in local stores for consumers who rely on over-the-air service and have analog televisions.

The Wilmington PBS station, WUNJ, will continue broadcasting in both analog and digital. One other low power station that has its digital channel assignment will continue broadcasting an analog signal.

I'd like to take a few moments to summarize our efforts and results to date:

We are working closely with three key industry stakeholders in Wilmington, the broadcasters to ensure that they are technically ready to transition early, the cable and satellite providers, and the electronics retailers who are certified to sell digital-to-analog converter boxes.

A Wilmington team, comprised of FCC staffers, is on the ground and has already met with, presented to, or exhibited at over 100 events. Their initial outreach focus was to contact, educate, and engage local government officials in all 5 of the impacted counties. On May 27, we culminated the initial outreach phase with a government officials "Town Hall" that was hosted by the University of North Carolina, Wilmington. At this session we also invited and had in attendance our key industry stakeholders so that we could ensure regional coordination on our outreach efforts.

To date, partnerships have been formed with 70 organizations. These organizations have agreed to distribute our materials through their contact channels and we have trained staff at organizations to recognize the need of their clients with respect to the DTV transition and help their clients successfully complete the transition. These partnerships are key in reaching our "at risk" consumers.

To date, over 32,000 publications have been distributed. This total includes the disbursement of our Wilmington specific one-pagers in English and Spanish, NTIA coupon applications, and posters which will be displayed in hundreds of locations throughout the DMA.

Ketchum, our outside PR consultant created radio PSAs, and outside billboard advertising, specific to the Wilmington market, highlighting the early transition. Specifically, four billboards will go up this month in the following high traffic areas: by the USS Carolina Memorial, on I-40 on the Pender/New Hanover County border, on the east side of Highway 421 in the Carolina Beach area, and on Highway 421 near the I-140 interchange. In addition, Ketchum created six radio PSA's produced and distributed to all full power radio stations in the DMA.

To date, twenty local newspaper articles and television stories have ran on the transition in the Wilmington DMA. Initial coverage focused on Wilmington as the test market. Coverage is now moving to stories on outreach activities. Media outlets and county newsletter editors are requesting regular press releases highlighting outreach efforts in their specific locales.

USPS has agreed to showcase Wilmington specific DTV transition posters in all post offices throughout the DMA. They will be in place from early July through October 31.

We have created a dedicated website, have tailored posters and FCC publications for the Wilmington, NC market that we have and will continue to distribute to local county officials and city government officials, library systems, schools, faith-based organizations, hospitals, sports leagues, senior centers, and other local grass roots and community-based organizations.

I would also note that since the FCC made its announcement of the Wilmington test market on May 8, household coupon demand has increased by 78 percent in the DMA. This compares to 22 percent for the country as a whole.

CONCLUSION

The Commission is devoting significant resources to facilitate a smooth transition. Nearly every Bureau and Office at the Commission has been involved in this effort including our field offices throughout the country.

We intend to take whatever actions are necessary to minimize the potential burden the digital transition could impose on consumers and maximize their ability to benefit from it. The next 3 months for Wilmington, North Carolina and 9 months for the rest of the country will undoubtedly be challenging. Nevertheless, it is my hope that through the combined efforts of government, industry and advocacy groups American consumers will reap the rewards that the digital transition has to offer.